



Novita Healthcare Limited

ACN 108 150 750

NOTICE OF MEETING AND EXPLANATORY STATEMENT

**Tuesday, 26 November 2019
at 11:00 a.m. (Melbourne time)**

Notice is given that the 2019 Annual General Meeting of Shareholders (AGM) of Novita Healthcare Limited ACN 108 150 750 (Novita or the Company) will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria on Tuesday, 26 November 2019 at 11:00 a.m. (Melbourne time)

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 advisors prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 1300 082 013 or at info@novitahealthcare.com.au

NOTICE OF MEETING

NOTICE IS GIVEN that an Annual General Meeting (**AGM**) of the Shareholders of Novita Healthcare Limited (ACN 108 150 750) (**Company** or **Novita**) will be held at 11:00 a.m. (Melbourne time) on Tuesday, 26 November 2019 at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria for the purposes of considering the following items of business.

The Explanatory Statement and Proxy Form accompanying this Notice of Meeting are hereby incorporated in and comprise part of this Notice of Meeting.

BUSINESS OF THE MEETING

Financial Statements and Related Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of Novita Healthcare Limited for the financial year ended 30 June 2019.

No resolution will be required to be passed on this matter.

Resolution 1 – Adoption of Remuneration Report

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

“That the Remuneration Report forming part of the Directors' Report for the financial year ended 30 June 2019 be adopted.”

The vote on this resolution is advisory only and does not bind the Company or its Directors. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing Novita's remuneration policies.

Voting Exclusion:

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel (**KMP**) named in the Remuneration Report for the year ended 30 June 2019, or that member's Closely Related Party, regardless of the capacity in which the vote is cast.

However, a member of the KMP or Closely Related Party may cast a vote on this item as proxy for a person that is entitled to vote if:

- the appointment of the proxy specifies in writing the way the proxy is to vote on the resolution; or
- that person is the Chair of the Meeting, and the appointment of the proxy expressly authorises the Chair of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Resolution 2 – Re-election of Director (Mr Mark Simari)

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

“That Mr Mark Simari, a director retiring in accordance with rules 5.1 and 5.2 of the Company's constitution, be re-elected as a director of the Company.”

The biographical details for Mr Simari are set out in the attached Explanatory Statement.

Resolution 3 – Approval of Prior Issue of Options

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve the prior issue of 3,785,507 options to subscribe for fully paid ordinary Shares in the capital of the Company to PAC Partners Securities Pty Limited on the terms and conditions set out in the Explanatory Statement.”

An explanation of the proposed resolution is set out in the attached Explanatory Statement.

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of PAC Partners Securities Pty Limited or any of its associates. 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 Chair of 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.

Resolution 4 – Issue of Options to Managing Director (Mr Glenn Smith)

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the shareholders of the Company approve the issue of 14,377,766 options to subscribe for fully paid ordinary Shares in the capital of the Company to Mr Glenn Smith under the Novita Healthcare Limited Performance Right and Share Options Plan on the terms and conditions set out in the Explanatory Statement.”

An explanation of the proposed resolution is set out in the attached Explanatory Statement.

Voting Exclusion:

The Company will disregard any votes cast:

- in favour of Resolution 4 by or on behalf of any director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought or their associates; or
- on Resolution 4 as proxy by any member of KMP or a Closely Related Party of a member of KMP, who is not directed how to vote.

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 of the proxy form; or
- the person is the Chair of the Meeting as proxy for a person who is entitled to vote, without being directed how to vote and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

Resolution 5 – Appointment of Auditor

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

“That, for the purposes of section 327B(1)(b) of the Corporations Act, Grant Thornton Audit Pty Ltd, having consented to act in accordance with section 328A of the Corporations Act, be appointed as auditor of the Company with effect from the close of this meeting, subject to the Australian Securities and Investments Commission giving its consent to the resignation of the current auditor, RSM Australia Partners.”

An explanation of the proposed resolution is set out in the attached Explanatory Statement.

Resolution 6 – Approval of Change of Company Name

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

“That, for the purposes of sections 157(1)(a) and 136(2) of the Corporations Act and for all other purposes, the Company change its name from ‘Novita Healthcare Limited’ to ‘TALI Digital Limited’ and the reference in the Company’s constitution to ‘Novita Healthcare Limited’ be amended to ‘TALI Digital Limited’ to reflect the Company’s new name.”

An explanation of the proposed special resolution is set out in the attached Explanatory Statement.

Resolution 7 – Renewal of Proportional Takeover Provisions in Constitution

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

“That, pursuant to section 648G of the Corporations Act, the proportional takeover approval provisions in rule 163 of the Constitution are renewed for a period of three years from the date of this meeting.”

An explanation of the proposed special resolution is set out in the attached Explanatory Statement.

Resolution 8 – Approval of Additional 10% Placement Facility

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

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the shareholders of the Company approve the issue of Shares up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions contained in the Explanatory Statement.”

An explanation of the proposed special resolution is set out in the attached Explanatory Statement.

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an associate of that person (or 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 Chair of 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.

By order of the Board



Stephen Denaro
Company Secretary
Date: 24 October 2019

PROXIES AND VOTING NOTES

Voting entitlement

A determination has been made by the Board of the Company under regulation 7.11.37 of the Corporations Regulations 2001 that the persons eligible to vote at the Meeting are those who are registered shareholders of the Company as at 7:00 p.m. (Melbourne time) on Sunday, 24 November 2019, subject to any applicable voting exclusion.

Voting by proxy

Each Shareholder who is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on behalf of that Shareholder. The proxy may be an individual or a body corporate. A proxy need not be a Shareholder. A proxy appointed by a corporate body must be executed in accordance with the Corporations Act and any representatives of a corporate body wishing to attend and vote at the Meeting on behalf of the corporate body must have a certificate of appointment.

A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion, or number, of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes (disregarding fractions). If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.

A proxy appointment form is enclosed with this Notice of Meeting. For the proxy form to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney, must be received either at Novita's registered office or at the Company's Share Registry, Automic Registry Services, no later than 11:00 a.m. (Melbourne time) on Sunday, 24 November 2019, being 48 hours prior to the Meeting. The completed proxy form may be lodged:

- online: <https://investor.automic.com.au>
- by email: meetings@automic.com.au
- by facsimile: +61 2 8583 3040
- by mail: Automic, GPO Box 5193, Sydney NSW 2001
- by delivery: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Proxy voting by the Chair

The Corporations Act imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters. However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel.

If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give her directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 and 4. In accordance with this express authority provided by you, the Chair will vote in favour of Resolutions 1 and 4. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct her how to vote, please tick the appropriate boxes on the proxy form.

The Chair of the Meeting intends to vote all available undirected proxies in favour of each item of business. If you appoint as your proxy any Director of the Company, except the Chair, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1 or 4 he or she will not vote your proxy on that item of business.

Defined Terms

Capitalised terms in this Notice of Meeting and Explanatory Statement are defined either in the "Glossary" section or where the relevant term is first used.

EXPLANATORY STATEMENT

The purpose of this Explanatory Statement (which accompanies and forms part of the Notice of Meeting), is to provide Shareholders with an explanation of the business of the AGM and of the resolutions to be proposed and considered at the AGM at 11:00 a.m. (Melbourne time) on Tuesday, 26 November 2019 and to assist Shareholders in deciding how they may wish to vote on the resolutions.

Shareholders should read this Explanatory Statement in full before deciding on how to vote on the proposed resolutions to be considered at the AGM.

Financial Statements and Relevant Reports

Pursuant to the Corporations Act, the directors of a listed company that is required to hold an Annual General Meeting must table the financial statements and reports of the company (including the Directors' Report, Remuneration Report and Auditor's Report) for the previous financial year before the members at that Annual General Meeting. There is no requirement for a formal resolution on this item.

Shareholders have been provided with all relevant information concerning the Company's financial statements, the Directors' Report, Remuneration Report and Auditor's Report in the Annual Report of the Company for the year ended 30 June 2019. The Company will not provide a hard copy of the Annual Report unless specifically requested to do so. The Annual Report can also be viewed, printed and downloaded from the Company's website www.novitahealthcare.com.au. A copy of the financial statements, the Directors' Report, the Remuneration Report and the Auditor's Report will also be tabled at the Meeting.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the financial statements and the reports. The Company's auditor will also be available to receive questions and comments from shareholders about the preparation and content of the financial statements and the Auditor's Report and the conduct of the audit generally.

Shareholders may submit written questions to the Company's auditor in advance of the Meeting. Any such questions must be submitted to the Company by no later than 5:00 p.m. (Melbourne time) on 19 November 2019, addressed to the Company Secretary, Novita Healthcare Limited, Level 5, 19 William Street, Cremorne, VIC 3121 or info@novitahealthcare.com.au.

A reasonable opportunity will be allowed at the Meeting for a representative of the Company's Auditor to answer any written questions submitted in accordance with the above procedure.

Resolution 1- Adoption of Remuneration Report

The Corporations Act requires a non-binding resolution be put to shareholders for the adoption of the Remuneration Report. The Remuneration Report is set out in the 2019 Annual Report. During this item of business there will be an opportunity for shareholders at the Meeting to comment on or ask questions about the Remuneration Report.

Shareholder votes on this resolution are advisory only and will not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

As a result of provisions in the Corporations Act, known generally as the "two strikes rule", Shareholders should note that the result of the vote on this resolution may affect next year's Annual General Meeting. If 25% or more of the votes cast on the resolution are voted "against" adoption of the Remuneration Report at the meeting, then:

- if comments are made on the report at the meeting, the Company's Remuneration Report for the year ended 30 June 2020 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at next year's AGM, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report are against it, the Company will be required to put to shareholders at that AGM a resolution

proposing that an Extraordinary General Meeting (**EGM**) be called to consider the election of the Directors of the Company (a spill resolution).

If a spill resolution is passed (i.e. more than 50% of votes cast are in favour), all of the Directors (other than the Managing Director) will cease to hold office at the subsequent EGM, unless re-elected at that meeting.

Board Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 – Re-election of Director (Mr Mark Simari)

Background

Mr Mark Simari retires in satisfaction of rule 5.1 of the Constitution that states that at each annual general meeting of the Company, one third of the directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding one third, must retire from office. Additionally, rule 5.2 of the Constitution states that no director may retain office for more than 3 years, or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting himself or herself for re-election. Mr Simari, having joined the Board on 1 September 2016 as a Non-Executive Director of the Company, was elected at the Company's 2016 annual general meeting and, being eligible, offers himself for re-election.

About Mr Simari

Mr Mark Simari joined the board on 1 September 2016. He is the former Managing Director of Paragon Care Limited and currently Chairman of the Novita Healthcare Audit Committee. He has significant experience on boards in privately held and ASX-Listed companies.

Board Recommendation: The Directors (with Mr Simari abstaining) recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Approval of Prior Issue of Options

General

ASX Listing Rule 7.1, subject to specified exceptions in Listing Rules 7.2 and 7.4, limits the number of securities that a company may issue or agree to issue without shareholder approval in any 12 months period to 15% of its issued securities. In addition, Listing Rule 7.1A conditionally enables eligible ASX listed companies to issue a further 10% of share capital in a 12 months period. Listing Rule 7.4 provides an exception to Listing Rule 7.1 whereby a company in general meeting may approve the previous issue of securities made pursuant to Listing Rule 7.1 and those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

As announced to ASX on 13 September 2019 and 19 September 2019, the Company issued a total of 3,785,507 unlisted options to subscribe for fully paid ordinary Shares in the capital of the Company to PAC Partners Securities Pty Limited (**PAC Partners**). The options were issued for nil consideration as part of the fees payable to PAC Partners in connection with its role as lead manager under the Company's entitlement offer announced to the ASX on 7 August 2019 (**Entitlement Offer**).

Terms of the options

Each option has an exercise price of \$0.03 and an expiry date of 30 June 2021. The terms of the options are otherwise as set out below.

1. Each option entitles the optionholder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the option.
2. The amount payable on exercise of an option will be the exercise price.
3. An option not exercised on or before the expiry date will automatically lapse on the expiry date.
4. There are no participating rights or entitlements conferred on the options and the optionholder will not be entitled to participate with respect to the options in new issues offered to shareholders during the term of the options without exercising the options.

5. In the event of any reorganisation of capital of the Company, prior to the expiry date for exercise of the options, the number of options to which the optionholder is entitled or the exercise price of the options or both will be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
6. The options may be exercised during the exercise period by notice in writing to the Company and payment of the exercise price for each option being exercised by electronic funds transfer or other means of payment acceptable to the Company.
7. The Company shall, within 5 business days after the receipt of a valid notice of exercise, issue Shares in respect of the options exercised and arrange for a holding statement for the Shares to be despatched.
8. If admitted to the Official List of ASX at the time, the Company will, within 7 days, apply for official quotation on ASX of the Shares issued upon the exercise of the options.
9. Shares issued on exercise of an option rank equally with the then issued shares of the Company.
10. If: (a) a takeover bid within the meaning of the Corporations Act is made for the Shares in the Company and the bidder acquires a relevant interest in at least 50.1% of the Shares and the bid is declared unconditional, any options not exercised within 7 days thereafter will automatically lapse; or (b) a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the Shares and that resolution is passed by the requisite majorities of members, any options not exercised during the period which is 2 days of the court order will automatically lapse.
11. The optionholder may exercise any number of the options without prejudice to the optionholder's ability to subsequently exercise any remaining options.
12. The options are transferrable subject to any restriction or escrow arrangements imposed by ASX or under any applicable securities laws.

Resolution 3 seeks Shareholder approval, pursuant to ASX Listing Rule 7.4, for the prior issue of the Shares noted above.

By approving this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and up to a 10% conditional placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

Board Recommendation: The Board recommends that shareholders vote in favour of Resolution 3.

Resolution 4 – Issue of Options to Managing Director (Mr Glenn Smith)

General

The Employment Agreement that has been entered into by the Company and Mr Glenn Smith, Managing Director, includes short and long-term incentives designed to align the Managing Director's interests with those of the Company. The long-term incentives proposed by the Board involve the issue of options under the terms and conditions of the Novita Healthcare Limited Performance Right and Share Options Plan (**Plan**).

Pursuant to Listing Rule 10.14, shareholders are required to approve the issue of securities to a Director under an employee incentive plan. Accordingly, Resolution 4 provides for the Shareholders to approve the proposed issue of a total of 14,377,766 options to subscribe for Shares to Mr Smith under the Plan. The price payable to the Company by Mr Smith for the issue of these options will be nil.

No Director other than Mr Smith is presently entitled to participate in the Plan. No persons referred to in ASX Listing Rule 10.14 have received securities under the Plan since the last approval. No loan will be made available to Mr Smith in relation to the acquisition or exercise of the Options proposed to be granted to him if this Resolution is approved.

The grant of options is conditional on receiving Shareholder approval. If Shareholders do not approve the proposed grant of options to Mr Smith, the proposed grant of options will not proceed. In that circumstance, the Board would then need to consider alternative remuneration arrangements for Mr Smith which are consistent with the Company's remuneration principles.

Once shareholder approval is obtained under ASX Listing Rule 10.14, shareholder approval is not required under ASX Listing Rule 7.1, and the issue of such options to Mr Smith will not count towards the Company's capacity to issue equity securities under ASX Listing Rule 7.1.

The Company has determined that the grant of options under the Plan pursuant to this Resolution 4 as part of Mr Smith's remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

If Resolution 4 is passed, the Directors expect that the 14,377,766 options will be issued to Mr Smith shortly following the date of the Meeting and, in any event, not later than 12 months after the date of the Meeting, at which time the 14,377,766 existing options granted to Mr Smith (refer to the Company's ASX announcement of 3 October 2017) will be cancelled.

The Directors presently expect that the funds raised by the Company from the issue of shares on the exercise of options will be used for continuing the investment in working capital.

The 14,377,766 options are proposed to be issued in two tranches (with 7,188,883 options in each tranche).

Each option to be issued will have an exercise price of \$0.03 and an expiry date of 3 October 2022.

Vesting Conditions

The 7,188,883 tranche 1 options are subject to the following vesting conditions:

- (a) the Shares trading on the ASX at a minimum of \$0.06 per Share for any consecutive 20 trading days during the period from 3 October 2019 and until 3 October 2022, and
- (b) the Company achieving an operating profit for 2HFY20 (in the case that there are changes to the business plan approved by the Board, the Board will determine in good faith any revision to the operating profit vesting criteria).

The 7,188,883 tranche 2 options are subject to the following vesting conditions:

- (a) the Shares trading on the ASX at a minimum of \$0.09 per Share for any consecutive 20 trading days during the period from 3 October 2020 and until 3 October 2022, and
- (b) the Company achieving an operating profit for 2HFY20 (in the case that there are changes to the business plan approved by the Board, the Board will determine in good faith any revision to the operating profit vesting criteria).

Terms of the options

The terms of the options are otherwise as set out below.

1. Each option entitles the optionholder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the option.
2. The amount payable on exercise of an option will be the exercise price.
3. An option not exercised on or before the expiry date will automatically lapse on the expiry date.
4. There are no participating rights or entitlements conferred on the options and the optionholder will not be entitled to participate with respect to the options in new issues offered to shareholders during the term of the options without exercising the options.
5. In the event of any reorganisation of capital of the Company, prior to the expiry date for exercise of the options, the number of options to which the optionholder is entitled or the exercise price of the options or both will be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
6. The options may be exercised during the exercise period by notice in writing to the Company and payment of the exercise price for each option being exercised by electronic funds transfer or other means of payment acceptable to the Company.
7. The Company shall, within 5 business days after the receipt of a valid notice of the Company, issue Shares in respect of the options exercised and arrange for a holding statement for the Shares to be despatched.

8. If admitted to the Official List of ASX at the time, the Company will, within 7 days, apply for official quotation on ASX of the Shares issued upon the exercise of the options.
9. Shares issued on exercise of an option rank equally with the then issued shares of the Company,
10. If: (a) a takeover bid within the meaning of the Corporations Act is made for the Shares in the Company and the bidder acquires a relevant interest in at least 50.1% of the Shares and the bid is declared unconditional, any options not exercised within 7 days thereafter will automatically lapse; or (b) a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Company and that resolution is passed by the requisite majorities of members, any options not exercised during the period which is 2 days of the court order will automatically lapse.
11. The optionholder may exercise any number of the options without prejudice to the optionholder's ability to subsequently exercise any remaining options.
12. Entitlement to the options is expressly subject to the optionholder being employed by the Company at the time that the options vest. If the optionholder's employment is terminated by the optionholder or the Company for any reason, or no reason, all unvested or unexercised options will automatically lapse.
13. The options are not transferrable unless otherwise approved by the Board.
14. The sale of any Shares issued on exercise of the options will be restricted for a period of one year after the date of issue of those Shares, provided that sale of a portion of Shares to fund taxation obligations directly arising from the exercise of the options by the optionholder will be permitted, subject to approval by the Board of an appropriate quantum.

Board Recommendation: The Board recommends (with Mr Smith abstaining) that shareholders vote in favour of Resolution 4.

Resolution 5 – Appointment of Auditor

Background

The Company's Audit & Risk Management Committee has reviewed the audit services provided to the Company by RSM Australia Partners (**RSM**), including the tenure of the current auditor. This review included taking into account best governance practice and seeking submissions from independent audit firms.

The Board has been satisfied with the services of RSM as auditor and thanks RSM for their services. However, the Audit & Risk Management Committee has reviewed the role of the auditor and the current audit services provided and considers it is appropriate that the Company's auditor changes. The Audit & Risk Management Committee has recommended to the Board that, subject to the satisfaction of all necessary regulatory approvals under the Corporations Act, Grant Thornton Audit Pty Ltd (**Grant Thornton**) be appointed as the new auditors for the Company with effect from the close of the Meeting.

Grant Thornton's proposal represents better value to the Company and its Shareholders and, subject to the passing of this Resolution 5, the Board looks forward to working with them in the future.

Resignation of current auditor

Section 329(5) of the Corporations Act provides that an auditor of a company may, by giving notice in writing to the company, resign as an auditor of the company if:

- (a) the auditor has, by notice in writing given to ASIC, applied for consent to the resignation and stated the reasons for the application and, at or about the same time as the notice was given to ASIC, notified the company in writing of the application to ASIC; and
- (b) the consent of ASIC has been given.

It is expected that on or about the date of this Notice, the Company's current auditor, RSM, will notify the Company that it has applied to ASIC for its consent to the resignation of RSM as auditor of the Company with effect from the close of the Meeting.

Subject to ASIC granting its consent under section 329 of the Corporations Act, the resignation of RSM as the auditor of the Company will take effect from the close of the Meeting.

Appointment of new auditor

Section 327B of the Corporations Act provides that a public company must appoint an auditor of the company to fill any vacancy in the office of auditor at each annual general meeting. Accordingly, upon RSM's resignation, it will be necessary for the Company to appoint a new auditor.

Section 328B of the Corporations Act provides that a company may only appoint a firm as auditor of the company at its annual general meeting if a member of the company gives the company written notice of the nomination of the firm for appointment as auditor:

- (a) before the meeting was convened; or
- (b) not less than 21 days before the meeting.

A copy of that nomination must be sent to Grant Thornton, RSM and to each person entitled to receive notice of general meetings of the Company not less than 7 days before the meeting or at the time notice of the meeting is given. A copy of the nomination of Grant Thornton is included as Annexure A to this Explanatory Statement.

In addition, section 328A of the Corporations Act provides that a company must not appoint a firm as auditor of the company unless the firm has consented to act as auditor before the appointment and has not withdrawn that consent before the appointment. Grant Thornton has provided the Company with a consent that complies with section 328A of the Corporations Act and, as the date of this Notice, has not withdrawn that consent.

Resolution

Resolution 5 requests Shareholders to approve the appointment of Grant Thornton as the auditor of the Company effective from the close of the Meeting, subject to ASIC giving its consent to the resignation of the current auditor, RSM.

Board Recommendation: The Board recommends that shareholders vote in favour of Resolution 5.

Resolution 6 – Approval of Change of Company Name

Section 157 of the Corporations Act provides that a change of company name requires a special resolution (that is, at least 75 per cent of votes cast at the meeting be in favour of the resolution).

The Board proposes the change of Company name to "TALI Digital Limited" to align the Company's name with its flagship TALI software platform. The view of the Company is that this alignment will strengthen the value proposition for the business assisting the objective of the Company to deliver long term sustainable returns from the TALI platform.

If this Resolution 6 is passed, the change of name will take effect when ASIC alters the details of the Company's registration, which will be announced to the ASX.

Board Recommendation: The Board recommends that shareholders vote in favour of Resolution 6.

Resolution 7 – Renewal of Proportional Takeover Provisions in Constitution

Background

Under the Corporations Act, a company may include provisions in its constitution that enable it to refuse to register shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by shareholders.

Rule 163 of the Company's Constitution currently contains provisions dealing with proportional takeover bids in accordance with the Corporations Act. The Directors consider it in the interests of shareholders to renew these provisions. If Resolution 7 is passed, the proportional takeover provisions will apply for a period of 3 years from the time the resolution is passed.

Where the approval of shareholders is sought to renew proportional takeover provisions, the Corporations Act requires certain information to be included in the notice of meeting. That information is set out below.

Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares in the Company.

Effect of proportional takeover provisions

The proportional takeover provisions provide that if a proportional takeover bid is made, the Directors must ensure that a resolution of shareholders to approve the takeover bid is voted on before the fourteenth day before the last day of the bid period. The vote is decided on a simple majority and each person (other than the bidder and its associates) who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on within the required time, the bid will be taken to have been approved.

If the bid is approved (or taken to have been approved), the transfers must be registered (provided they comply with other provisions of the Corporations Act and the Company's Constitution).

The proportional takeover approval provisions do not apply to full takeover bids and will only apply for 3 years from the date of renewal. The provisions may be renewed for a further term, but only by a special resolution of shareholders.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without shareholders having the opportunity to dispose of all their shares. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium.

In order to deal with this possibility, a company may provide in its constitution that:

- (a) in the event of a proportional takeover bid being made for shares in the company, shareholders are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer; and
- (b) the majority decision of the company's shareholders will be binding on all individual shareholders.

These provisions allow shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date on which this notice of meeting was prepared, no Director of the Company is aware of any proposal by any person to acquire or to increase a substantial interest in the Company.

Potential advantages and disadvantages

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for the Directors and that they remain free to make a recommendation as to whether an offer under a proportional takeover bid should be accepted.

The potential advantages for shareholders of the proportional takeover provisions include:

- (a) shareholders – as a collective – have the right to consider the terms of the proportional takeover bid and to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) the provisions can assist in ensuring that control does not pass without an appropriate premium being paid to all shareholders;
- (c) they may help shareholders to avoid being locked in as a minority;
- (d) they increase shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and

- (e) knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and decide whether to accept or reject an offer under the bid.

The potential disadvantages for shareholders include:

- (a) proportional takeover bids for shares in the Company may be discouraged;
- (b) shareholders may lose an opportunity to sell some of their shares at a premium;
- (c) the likelihood of a proportional takeover succeeding may be reduced;
- (d) reduced flexibility for the Board in responding to a proportional takeover bid; and
- (e) the Board already has the ability to recommend shareholders reject a proportional offer and any additional step could add complexity.

The Company has not previously sought to renew the proportional takeover provisions in its Constitution. While the previous proportional takeover provisions were in effect, there were no full or proportional takeover bids for the Company. Therefore there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and shareholders respectively, however, the Directors are not aware of any potential takeover bid that was discouraged by these provisions.

The Directors believe that the potential advantages outweigh the potential disadvantages of renewing the proportional takeover provisions for a further 3 years.

Board Recommendation: The Board recommends that shareholders vote in favour of Resolution 7.

Resolution 8 – Approval of Additional 10% Placement Facility

Background

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. In addition, Listing Rule 7.1A, enables eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less) to issue a further 10% of share capital in 12 months on a non-pro rata basis. The Company is an eligible entity as at the date of this Notice of Meeting and must remain compliant with the requirements of Listing Rule 7.1A to be able to utilise the additional capacity to issue shares under that Listing Rule.

Approval under Listing Rule 7.1A requires a special resolution be passed and for a special resolution to pass, at least 75% of the votes cast must be in favour. Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. In the past twelve months the Company has not issued any securities under Listing Rule 7.1A.

Information required by ASX Listing Rule 7.3A

For the purposes of Listing Rule 7.3A the Company provides the following information.

Minimum price at which the equity securities may be issued	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> a. the date on which the price at which the securities are to be issued is agreed; or b. if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.
Risk of economic and voting dilution	<p>An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:</p> <ul style="list-style-type: none"> a. the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and b. the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date. <p>A table describing the potential dilution is set out below.</p>

Date by which the Company may issue the securities	<p>The period commencing on the date of the annual general meeting (to which this Notice relates) at which approval is obtained and expiring on the first to occur of the following:</p> <ol style="list-style-type: none"> the date which is 12 months after the date of the annual general meeting at which approval is obtained; and the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2. <p>The approval under LR7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>It is the Board's current intention that an issue of securities would principally be made for the purpose of raising funds in connection with the Company's general working capital requirements.</p> <p>The Company reserves the right to issue shares for non-cash consideration, including as non-cash consideration for any acquisition.</p>
Details of the Company's allocation policy for issues under approval.	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:</p> <ol style="list-style-type: none"> the methods of raising funds that are available to the Company including but not limited to, rights issue or other issue in which existing security holders can participate; the effect of the issue of the Listing Rule 7.1A shares on the control of the Company; the financial situation and solvency of the Company; and advice from corporate, financial and broking advisers (if applicable). <p>The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in its acquisitive growth strategy as outlined above, it is likely that the allottees under the Listing Rule 7.1A facility will be or include the vendors of the relevant target company or companies.</p>
Previous approvals under Listing Rule 7.1A	Approval was granted at the 2018 Annual General Meeting (AGM) on 29 November 2018.

Information under Listing Rule 7.3A.2

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities 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:

- 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 as at the date of this notice. 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
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the approximate market price as at the date of this Notice.

Variable 'A' in 7.1A.2	Dilution			
		\$0.005	\$0.010	\$0.020
Shares on issue.		50% Decrease in Issue Price	Issue Price	100% Increase in Issue Price
Current Variable "A" - 649,305,165	10% Voting Dilution	64,930,516	64,930,516	64,930,516
	Funds raised	\$324,652	\$649,305	\$1,298,610
50% increase in Variable "A" - 973,957,828	10% Voting Dilution	97,395,774	97,395,774	97,395,774
	Funds raised	\$486,978	\$973,957	\$1,947,915
100% increase in Variable "A" - 1,298,610,330	10% Voting Dilution	129,816,032	129,816,032	129,816,032
	Funds raised	\$649,305	\$1,298,160	\$2,596,320

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval.
2. No options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A.
3. 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%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting.
5. 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.
6. The issue of Shares under Listing Rule 7.1A consists only of Shares. If the issue includes listed options, it is assumed that those listed options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.010 being an indicative price of the Shares as at the date of this Notice of Meeting.

Information under Listing Rule 7.3A.6

See below details of issues of equity securities made in the previous 12 months:

Date of issue: 19 September 2019

Number issued: 14,420,377

Type of equity security: Fully paid ordinary shares

Recipient of securities: Various professional and sophisticated investors through a shortfall placement arranged by PAC Partners Securities Pty Limited

Price: \$0.01 per share

Consideration received: \$144,203

Use of cash: To fund Novita's Tali Detect and Tali Train business model including associated capital expenditures, operating costs and working capital.

Date of issue: 19 September 2019

Number issued: 360,507

Type of equity security: Unlisted options to acquire fully paid ordinary shares, each with an exercise price of \$0.03 and an expiry date of 30 June 2021

Recipient of securities: PAC Partners Securities Pty Limited

Price: Nil per option - issued as part of the fees payable to PAC Partners Securities Pty Limited in connection with its role as lead manager under the Entitlement Offer. The current value of the options is nil.

Consideration received: Nil (see above).

Use of cash: Not applicable.

Date of issue: 13 September 2019

Number issued: 91,000,000

Type of equity security: Fully paid ordinary shares

Recipient of securities: Various professional and sophisticated investors through a shortfall placement arranged by PAC Partners Securities Pty Limited

Price: \$0.01 per share

Consideration received: \$910,000

Use of cash: To fund Novita's Tali Detect and Tali Train business model including associated capital expenditures, operating costs and working capital.

Date of issue: 13 September 2019

Number issued: 3,425,000

Type of equity security: Unlisted options to acquire fully paid ordinary shares, each with an exercise price of \$0.03 and an expiry date of 30 June 2021

Recipient of securities: PAC Partners Securities Pty Limited

Price: Nil per option - issued as part of the fees payable to PAC Partners Securities Pty Limited in connection with its role as lead manager under the Entitlement Offer. The current value of the options is nil.

Consideration received: Nil (see above).

Use of cash: Not applicable.

Date of issue: 5 September 2019

Number issued: 46,000,000

Type of equity security: Fully paid ordinary shares

Recipient of securities: Various professional and sophisticated investors through a shortfall placement arranged by PAC Partners Securities Pty Limited

Price: \$0.01 per share

Consideration received: \$460,000

Use of cash: To fund Novita's Tali Detect and Tali Train business model including associated capital expenditures, operating costs and working capital.

Date of issue: 28 August 2019

Number issued: 48,579,677

Type of equity security: Fully paid ordinary shares

Recipient of securities: Existing Novita shareholders

Price: \$0.01 per share

Consideration received: \$485,796

Use of cash: To fund Novita's Tali Detect and Tali Train business model including associated capital expenditures, operating costs and working capital.

The total number of equity securities issued in the 12 months preceding the date of the Meeting is 203,785,561 equity securities representing approximately 43% of the total number of equity securities on issue as at 12 months ago. Of the approximately \$2 million raised through the equity securities issued in the 12 months preceding the date of the Meeting, approximately \$550,000 has been used.

Board Recommendation: The Board recommends that shareholders vote in favour of Resolution 8.

GLOSSARY

\$	Australian Dollars.
AGM	the Meeting convened by this Notice of AGM.
ASIC	Australian Securities and Investments Commission.
Associate	has the meaning given in the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.
Auditor's Report	the auditor's report required to be prepared and laid before the AGM in accordance with section 317 of the Corporations Act.
Board	the board of Directors of the Company.
Closely Related Party	(of a member of KMP of an entity) has the definition given to it by section 9 of the Corporations Act, and means: <ul style="list-style-type: none"> a. a spouse or child of the member; or b. a child of the member's spouse; or c. a dependant of the member or of the member's spouse; or 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 dealings with the entity; or e. a company the member controls; or f. a person prescribed by the regulations for the purposes of this definition (nothing at this stage).
Company or Novita	Novita Healthcare Limited ACN 108 150 750.
Constitution	the constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	the directors of the Company.
Directors' Report	the directors' report required to be prepared and laid before the AGM in accordance with section 317 of the Corporations Act.
Entitlement Offer	Novita's entitlement offer announced to the ASX on 7 August 2019.
Explanatory Statement	the explanatory memorandum to the Notice of Meeting.
Financial Report	the financial report required to be prepared and laid before the AGM in accordance with section 317 of the Corporations Act.
Key Management Personnel or KMP	those people described as Key Management Personnel in the Remuneration Report for the year ended 30 June 2019 and includes all directors.
Listing Rules	ASX Listing Rules.
Meeting	The AGM to be convened on 26 November 2019 by this Notice.
Notice or Notice of Meeting	this notice of the Annual General Meeting of Shareholders including the Explanatory Statement.
Plan	The Novita Healthcare Limited Performance Right and Share Options Plan.
Remuneration Report	the remuneration report required to be prepared in accordance with section 300A of the Corporations Act.
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	Automic Registry Services, Level 5, 126 Phillip Street, Sydney NSW 2000.
Shareholder	a holder of Shares in the Company as recorded on the Company's register of members.

Annexure A - Nomination of Grant Thornton Audit Pty Ltd

23 October 2019

Mr Stephen Denaro
Company Secretary
Novita Healthcare Limited
Level 5
19 William Street
Cremorne VIC 3121

Dear Stephen

Notice of Nomination of Auditor

The undersigned, being a member of Novita Healthcare Limited (**Company**), hereby gives written notice pursuant to section 328B(1) of the *Corporations Act 2001* (Cth) of the nomination of Grant Thornton Audit Pty Ltd for appointment as auditor of the Company at the forthcoming Annual General Meeting to be held on 26 November 2019.

Yours sincerely



Mr Glenn Smith – Director
Sevastopol Pty Ltd <Sevastopol Super Fund account>

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Vote by Proxy: NHL

Your proxy voting instruction must be received by **11:00AM (Melbourne time) on Sunday 24 November 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

- Individual:** Where the holding is in one name, the Shareholder must sign.
- Joint holding:** Where the holding is in more than one name, all of the Shareholders 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 Proxy Voting Form when you return it.
- Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
- Email Address:** Please provide your email address in the space provided.
- By providing your email address, you elect to receive all communications dispatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



