

Notice of Annual General Meeting and Explanatory Notes

4DMedical Limited
ACN 161 684 831
(Company)

Annual General Meeting of 4DMedical Limited to be held as a virtual meeting only (<https://agmlive.link/4DXAGM20>) on Friday, 20 November 2020 commencing at 10:00am (AEDT).

This Notice of Annual General Meeting and Explanatory Notes should be read in its entirety.

If Shareholders are in any doubt as how to vote, they should seek advice from their own independent financial, taxation or legal adviser without delay.

COVID-19 Pandemic announcement

The Australian Government has announced a number of measures to reduce the spread of COVID-19, including requiring people to comply with social distancing and stay at home, except in very limited circumstances, as well as imposing restrictions on public gatherings. As a result, the annual general meeting will be held as a virtual meeting only. There will not be a physical meeting that Shareholders can attend in person. Further details on how to participate in the virtual meeting are set out in the Explanatory Notes.

Chairman's letter

Dear Shareholder

Attached to this letter is the Notice of Meeting (**Notice**) and Explanatory Notes for the 2020 Annual General Meeting (**Meeting**) of the shareholders of the Company (**Shareholders**).

The Meeting will be held by a virtual meeting only and will be held on Friday, 20 November 2020 commencing at 10:00am (AEDT). Please refer to the Instructions on page 6 for further details on how to participate in the virtual meeting.

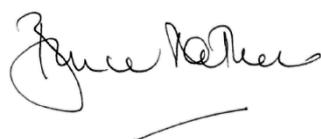
The business of the Meeting will be to:

1. receive and consider the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2020;
2. adopt the Remuneration Report;
3. re-elect Mr Bruce Rathie and Ms Lilian Bianchi as non-executive directors, and to acknowledge Mr Heath Lee's service on the Board; and
4. provide standing approval for the issue of securities under the Company's Long Term Incentive Plan.

You are urged to consider carefully the Notice of Meeting and Explanatory Notes before determining how you wish to vote on the resolutions.

If you cannot attend the Meeting, please vote online or ensure your paper proxy form is received by the Company's share registry as soon as possible and in any event by no later than 10:00am on Wednesday, 18 November 2020.

Yours faithfully



Bruce Rathie

Non-Executive Director and Chairman

Notice of Annual General Meeting

Notice is given that the 2020 Annual General Meeting of the Shareholders of the Company will be held by virtual meeting only, on Friday, 20 November 2020 at 10:00am (AEDT).

Agenda Items

Item 1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and Auditor for the year ended 30 June 2020.

Item 2. Remuneration Report

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

That the Remuneration Report, as contained in the Directors' Report for the year ended 30 June 2020, is adopted.

Note: under sections 250R(2) and (3) of the *Corporations Act 2001* (Cth) the vote on this resolution will be advisory only and will not bind the Company or its Directors.

Item 3. Re-election of Directors

To consider, and if thought fit, to pass, the following as separate ordinary resolutions:

- (a) *That, for the purposes of clause 13.1 of the Company's constitution, ASX Listing Rule 14.5, and for all other purposes, Mr Bruce Rathie, a non-executive director appointed on 11 December 2019 to fill a casual vacancy, and being eligible, is re-elected as a director.*
- (b) *That, for the purposes of clause 13.1 of the Company's constitution, ASX Listing Rule 14.5, and for all other purposes, Ms Lilian Bianchi, a non-executive director appointed on 11 December 2019 to fill a casual vacancy, and being eligible, is re-elected as a director.*

Item 4. Approval in respect of the 4DMedical Long Term Incentive Plan (Incentive Plan)

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

That for the purposes of ASX Listing Rule 7.2 Exception 13 and for all other purposes, the rules of the Incentive Plan (which are summarised in the Explanatory Notes accompanying this Notice) and the issue of performance rights and/or options under that plan, be approved.

Voting exclusions

Item 2 – Remuneration Report

The Company will disregard any votes cast on Item 2:

- by or on behalf of a member of the Company's key management personnel (**KMP**) named in the Company's Remuneration Report for the year ended 30 June 2020 or their closely related parties (such as close family members and any controlled companies), regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Item 2:

- in accordance with a direction as to how to vote on the voting form; or
- by the chairman of the Meeting pursuant to an express authorisation to exercise the proxy even though Item 2 is connected with the remuneration of the Company's KMP.

Item 3 – Re-election of Directors

There are no voting exclusions for item 3.

Item 4 – Approval in respect of the 4DMedical Long Term Incentive Plan

The Company will disregard any votes cast on Item 4:

- in favour of this resolution by or on behalf of a person who is eligible to participate in the Incentive Plan or an associate of any such person, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast on Item 4:

- as proxy for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the chairman of the Meeting, in accordance with an express authorisation to exercise the proxy as the chairman decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate or a person excluded from voting, on the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated 19 October 2020

By order of the Board



Charlene Stahr
Company Secretary

Instructions

<p>Eligibility to vote</p>	<p>The Board has determined that you will be entitled to attend and vote at the Meeting if you are a registered Shareholder of the Company at 10:00am (AEDT) on Wednesday, 18 November 2020. You will be entitled to vote in respect of the number of shares registered in your name at that time.</p>
<p>Voting by proxy</p>	<p>Each Shareholder may appoint a proxy to vote on behalf of that Shareholder at the general meeting. The proxy need not be a Shareholder. A Shareholder who is entitled to cast 2 or more votes may appoint not more than 2 proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of Shareholder’s votes each proxy may exercise, each proxy may exercise half the votes (disregarding fractions).</p> <p>Proxy appointment is to be completed online through the Link Market Services voting portal at www.linkmarketservices.com.au. To be effective, it must be duly completed not less than 48 hours prior to the start of the general meeting (being 10:00am AEDT on Wednesday, 18 November 2020).</p>
<p>Appointing the chairman as proxy</p>	<p>If you appoint the chairman of the Meeting as your proxy or the chairman of the Meeting is appointed as your proxy by default and you do not direct the chairman how to vote on a particular item, the chairman will vote on that item as he sees fit.</p> <p>The chairman intends to vote all available proxies in favour of each resolution.</p>
<p>Body corporate representative</p>	<p>A Shareholder of the Company who is a body corporate and who is entitled to attend and vote at the Meeting, or a validly appointed proxy who is a body corporate and who is appointed by a Shareholder of the Company entitled to attend and vote at the Meeting, may appoint a person to act as its representative at the Meeting by providing that person with:</p> <ul style="list-style-type: none"> a) a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; or b) a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.

How to vote prior to the Meeting	Shareholders may appoint a proxy online at www.linkmarketservices.com.au .
How to vote at the Meeting	<p>As Shareholders will not be able to attend the Meeting in person, they will have an opportunity to participate virtually via the Company's online platform. You will be able to view the Meeting, lodge a vote in real time and ask questions online. Shareholders can access the platform at: https://agmlive.link/4DXAGM20.</p> <p>Shareholders participating in the Meeting using the Company's online platform will be able to vote between the commencement of the Meeting (10:00am AEDT on Wednesday, 18 November 2020) and the closure of voting as announced by the chairman of the meeting.</p> <p>More information on how to vote and ask questions online during the meeting is available in the Online Platform Guide available on our website.</p>
How to submit questions prior to the Meeting	<p>Shareholders are encouraged to submit questions regarding the items of business ahead of the meeting to the Company, as there may not be sufficient time to respond to all questions raised during the Meeting.</p> <p>Questions may be submitted online at www.linkmarketservices.com.au by logging into your holding, selecting vote and then 'ask a question'.</p>
Browser compatibility	To ensure your browser is compatible, please follow the instructions in the Online Platform Guide available on our website. It is also recommended that Shareholders who elect to participate in the Meeting through the Company's online platform log into the online platform at least 15 minutes prior to the scheduled start time for the Meeting.
Connectivity	If access to the online platform is interrupted during the Meeting and the reason for the interruption cannot be resolved within a reasonable time as determined by the chairman of the Meeting, the Meeting will proceed without the online participation of Shareholders attending virtually. For this reason, Shareholders intending to attend the Meeting virtually through the online platform may also wish to consider appointing a proxy for the Meeting in the event access to the online platform is unavailable on the day.

Explanatory Notes

1. Background

1.1 Introduction

These Explanatory Notes have been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

The purpose of the Explanatory Notes is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions set out in the accompanying Notice. It explains the resolutions and identifies the Board's reasons for putting them to Shareholders.

1.2 Action to be taken by Shareholders

Shareholders should read these Explanatory Notes carefully before deciding how to vote on the resolutions set out in the Notice.

All Shareholders are invited and encouraged to attend the Meeting virtually. If Shareholders are unable to participate in the virtual meeting, an electronic proxy form should be completed online through the Link Market Services voting portal. Lodgement of an electronic proxy form will not preclude a Shareholder from attending the virtual Meeting and voting at the virtual Meeting, but the person appointed as the proxy must not exercise the rights conferred by the electronic proxy form.

1.3 COVID-19 Pandemic

The Australian Government has announced a number of measures to reduce the spread of COVID-19, including requiring people to comply with social distancing and stay at home, except in very limited circumstances, as well as imposing restrictions on public gatherings. As a result, the annual general meeting will be held as a virtual meeting only. There will not be a physical meeting that Shareholders can attend in person.

2. Resolutions

2.1 Item 1 – Financial Report, Directors' Report and Auditor's Report

In accordance with section 317 of the Corporations Act 2001 (**Corporations Act**), the directors of a public company are required to hold an annual general meeting and present the financial report for the previous financial year before its shareholders at each meeting.

All relevant information concerning the Company's financial report, directors' report and the auditor's report for the year ended 30 June 2020 is contained in the "Annual Accounts and Reports" document (**2020 Annual Report**). A copy of the 2020 Annual Report is available at: <https://investors.4dmedical.com/Investor-Centre/?page=results-and-reports>, or on request to the Company Secretary, at companysecretary@4dmedical.com. A copy of the 2020 Annual Report will also be tabled at the AGM.

Voting on this item is not required and a formal resolution to adopt the 2020 Annual Report will not be put to Shareholders at the Meeting. The purpose of this item is to provide Shareholders with the opportunity to ask questions or discuss matters arising from them. It is not the purpose of the Meeting that any of these reports be accepted, rejected or modified in any way.

The Company's auditor (PKF Melbourne) will be present at the Meeting and will be available to answer questions as to the conduct of the audit and the auditor's report.

2.2 Item 2 – Adoption of Remuneration Report

The Remuneration Report contained in the Company's 2020 Annual Report sets out the remuneration policies of the Company and reports on the remuneration arrangements in place for the Company's KMP during the year ended 30 June 2020. Shareholders are encouraged to submit questions on the Remuneration Report to the Company Secretary in advance of the Meeting.

Shareholders will have a reasonable opportunity at the Meeting to ask questions about or make comments on the Remuneration Report.

As prescribed by section 250R of the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and discussion at the Meeting into account in setting remuneration policy for future years.

Recommendation

The Remuneration Report forms part of the Directors' Report for the year ended 30 June 2020 and is made in accordance with a unanimous resolution of the Directors. The non-executive directors recommend that Shareholders vote in favour of the resolution to approve the Remuneration Report. The executive directors whose remuneration has been disclosed in the Remuneration Report are interested in the outcome of this resolution and therefore do not consider it appropriate to make a recommendation to Shareholders.

2.3 Item 3 – Re-election of Directors

Consistent with the principles of the Company's constitution's (**Constitution**) director rotation policy, the Board considered the positions of its longer serving directors. As a part of this process, Mr Heath Lee, who has served as a director of the Company since 1 July 2016, advised of his intention to resign his position at the AGM and not seek re-election. Mr Lee, who is also the Company's Chief Financial Officer, expressed to the Board his desire to focus on the executive aspects of his contribution to the Company go-forward. Consequently, the Board has accepted his resignation as a director.

The Board thanks Heath for his long service and stewardship of the Company as a member of the Board, including his significant contribution to the Company's initial public offering

earlier this year. The Board and Management look forward to continuing to work with Heath in his role as a key executive of the Company.

Mr Rathie and Ms Bianchi were appointed on 11 December 2019 to fill casual vacancies.

The ASX Listing Rules require the Company to hold an election of Directors each year. The Constitution states that any Director appointed to fill a casual vacancy will hold office until the next following annual general meeting, at which time they retire from office and are eligible for re-election.

Accordingly, Mr Rathie and Ms Bianchi cease to hold office in accordance with clause 13.1 of the Constitution, and being eligible, seek re-election.

Information about Bruce Rathie

Term: Independent non-executive director since 11 December 2019, and appointed chairman 11 March 2020.

Skills and experience: Bruce is a professional non-executive director of nearly 20 years standing having completed successful prior careers in law and finance. He holds degrees in law (LLB), commerce (B. Commerce) and business (MBA Geneva). He is particularly strong in governance being a Fellow of the Australian Institute of Company Directors and holding its Diploma Company Director, a Fellow of Australian Institute of Managers & Leaders and a Fellow of the Governance Institute of Australia and holding its Graduate Diploma in Company Secretarial Practice (Governance).

His legal career included being a partner of a prominent private law firm and then Senior Corporate Counsel to Robert Holmes a Court's Bell Resources Limited in the 1980's.

After completing his MBA in Switzerland, he went into investment banking in 1986 which took him to New York for 3 years returning to Sydney in 1990. He spent the 1990's as an investment banker in Sydney, the last 5 of which as Director Investment Banking and Head of the Industrial Franchise Group at Salomon Brothers and then Salomon Smith Barney where he lead the firm's joint lead manager roles in the privatisations or IPOs of Qantas, Commonwealth Bank and Telstra amongst other major transactions of the day.

Directorships of listed and other entities (last three years): Bruce has been a professional Director since 2000 in roles with ASX listed and unlisted companies predominantly in the financial services, biotechnology and technology sectors. He is currently a non-executive director of ASX 200 PolyNovo Limited, Capricorn Society Limited, ASX listed Netlinkz Limited and Australian Meat Processors Corporation Limited. He is also Chair of Capricorn Mutual Limited and 4DMedical.

Other directorships/offices: Previously, he has been a non-executive director of ASX listed companies Compumedics Limited, Anteo Diagnostics Limited (Chair), USCOM Limited, Mungana Goldmines Limited and Datadot Technology Limited (Chair). He also served as an inaugural CSIRO nominated non-executive director of Polynovo Biomaterials Pty Ltd when

the Polynovo technology was first spun out of the CSIRO in 2004, as with several other CSIRO technology commercialisations and served as Chair of a number of these vehicles. He has also previously served on the Boards of Eftpos Payments Australia Limited (Chair) and UnitingCare Ageing NSW & ACT (Chair).

Other responsibilities: Independent chairman of the Board.

Information about Lilian Bianchi

Term: Independent non-executive director since 11 December 2019.

Skills and experience: Lilian brings to 4DMedical an invaluable history of experience in technology products and business transformations, helping lead boards to build an agile and robust strategy through expansive growth. She has participated in business transformations for US listed technology companies and risk collaborations across financial risk modelling, climate science and primary industry productivity models. She is an experienced contributor to business transformations for US-listed technology companies with technology product expertise in AI and SaaS offerings and has vast international experience in the US, Australia, India, Singapore, UK, France, Germany, New Zealand, Italy and Spain.

Lilian's value to the 4DMedical board lies in her CEO, board, and senior executive track record in financial services, global listed billion-dollar tech corporations, tech start-ups, tier 1 management consultancies, public sector organisations, and international research operations. Her governance, strategy and capital raising experience has helped her lead corporations in periods of growth, guiding them in the pivot to stock market listings and international sales.

Directorships of listed entities (last three years): 4DMedical.

Other directorships/offices: Lilian currently serves as a non-executive director of Australian Ethical Merino Growers Co-Op Limited.

Other responsibilities: Chair of the Company's Audit & Risk Committee.

Recommendation

The Board (other than Mr Rathie) recommends that Shareholders vote in favour of Item 3(a).

The Board (other than Ms Bianchi) recommends that Shareholders vote in favour of Item 3(b).

2.4 Item 4 – Approval in respect of the Incentive Plan

The Company has recently reviewed its long term incentive arrangements to ensure that it continues to reward, retain and motivate senior executives in a manner aligned with Shareholders.

After exploring a number of equity incentive vehicles, it was decided that the new Incentive Plan would best serve the Company's objectives moving forward. Under the Incentive Plan,

directors, management and other key employees identified by the Board can be offered the opportunity to participate in the form of options (including options with a zero-exercise price) and/or performance rights. A copy of the Incentive Plan is available on the Company website at <https://investors.4dmedical.com/Investor-Centre/?page=corporate-governance>.

In conjunction with introducing the Incentive Plan, the Company has set up the "4DMedical Employee Share Trust" (**Trust**), being an employee share trust established by the Company for the purpose of subscribing for or acquiring, delivering, allocating and holding shares for the benefit of selected participants in the Incentive Plan. The current trustee of the Trust is Pacific Custodians Pty Limited ACN 009 682 866.

ASX Listing Rule 7.1 requires that a company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of the Company. ASX Listing Rule 7.2 set out a number of exceptions to ASX Listing Rule 7.1. ASX Listing Rule 7.2 (Exception 13) provides that an issue of securities under an employee incentive scheme, if within three years before the date of issue the shareholders of the company approved the issue of securities under the scheme, will not count for the purposes of ASX Listing Rule 7.1.

The key terms and conditions of the Incentive Plan and the Trust are summarised as follows:

- a person is eligible to participate in the Incentive Plan if that person is declared by the Board to be eligible to participate in the Incentive Plan and that person is a Director of any member of the 4DMedical group of companies (**Group**), a full-time or part-time employee of any member of the Group, or any other person declared by the Board to be eligible;
- as part of the Incentive Plan, eligible participants may be issued options or performance rights over shares in the Company (**Awards**);
- the Board may determine, in its absolute discretion, the fee (if any) payable by an eligible participant granted an Award (**Participant**) either for the grant or exercise of the Award;
- under the Incentive Plan, unless shareholder approval is obtained, the number of Awards which may be granted, and which remain unexercised under the Incentive Plan, must not exceed in aggregate 10% of the total issued capital of the Company;
- the number of Awards offered to a Participant from time to time will be determined by the Board in its absolute discretion and in accordance with the terms of the Incentive Plan;
- the Board may determine, in its absolute discretion, the terms and conditions (including performance hurdles and/or vesting conditions) which apply to the vesting of any Awards;
- any Awards held by a Participant which has not vested by the relevant expiry date determined by the Board will lapse;

- where a Participant exercises a vested option or a performance right vests, the Company will instruct the trustee of the Trust (**Trustee**), to subscribe for, acquire and/or allocate the number of shares for which the Participant is entitled to upon the exercise or vesting, the Trustee will hold those shares on behalf of the Participant. Where the Trustee holds Shares on behalf of a Participant, the Participant will continue to retain and benefit from full dividend rights, voting rights and the right to receive notices of meetings. Participants may withdraw some or all of their Plan Shares from the Trust at any time, subject to any applicable disposal restrictions, by submitting a withdrawal notice to the Company;
- where a Participant ceases employment or office with any member of the Group as a result of a resignation of the Participant or a termination of that Participant's employment or office in certain circumstances (i.e. due to poor performance, serious or persistent breaches of their employment or engagement contract or serious or gross misconduct):
 - vested options may continue to be exercisable up to the expiry date unless otherwise determined by the Board;
 - vested performance rights which have not been exercised will be immediately exercised unless otherwise determined by the Board; and
 - any unvested option and/or performance right held by that Participant will immediately lapse and be forfeited;
- if a Participant ceases employment or office with any member of the Group for another reason other than those specified above (i.e. dies, becomes permanently disabled, retires from the workforce or is made redundant):
 - vested options which have not been exercised will continue to be exercisable up to the expiry date;
 - vested performance rights which have not been exercised will be immediately exercised; and
 - the Board can determine, in its absolute discretion, the manner in which unvested options and/or performance rights will be dealt with;
- the Board will have the power to vary the terms of the Incentive Plan at any time and in manner in which it thinks fit. However, the Board may only amend a provision which materially reduces the rights of Participants in respect of the Awards where the amendment is required for the purposes of complying with any law or the Listing Rules or in other defined circumstances;
- if a change of control event occurs, (as defined in the Incentive Plan rules); then unless otherwise determined by the Board:

- unvested options and performance rights granted will vest where the Board considers that all vesting conditions and performance hurdles relating to those options or performance rights have been met;
 - unvested options and performance rights granted will vest only on a pro rata basis where relevant performance hurdles have not yet been met; and
 - any option or performance right the Board determines will not vest as specified above will automatically lapse.
- subject to applicable law, the Company may buy-back Awards or shares issued on the exercise of Awards held by a Participant in certain circumstances;
 - awards issued to a Participant may not be assigned, transferred or encumbered with a security interest unless otherwise agreed by the Board or that assignment or transfer occurs by force of law on the death of a Participant;
 - the Board may determine, in its absolute discretion whether there will be any restrictions on the disposal of or the granting of any security interests over the shares issued on the exercise of Awards;
 - the Awards will not give a Participant any voting rights until the relevant Awards have converted into shares; and
 - the Awards will not give a Participant any right to participate in any dividends until the relevant Awards have converted into shares.

Since listing, the Company has not issued any securities under the Incentive Plan.

The Board seeks approval to issue securities under the Incentive Plan for three years from 20 November 2020, in accordance with the provisions of the Incentive Plan thereby giving the Company greater flexibility to make future issues of securities under its placement capacity afforded by ASX Listing Rule 7.1.

The maximum number of securities proposed to be issued by the Company in respect of its Incentive Plan over the next three years is 26,476,241 options and/or performance rights.

If Item 4 is not approved, any issue of securities under the Incentive Plan will count towards the Company's placement capacity under ASX Listing Rule 7.1.

Recommendation

The non-executive directors recommend that Shareholders vote in favour of the resolution to approve the Incentive Plan. The executive directors may be interested in the outcome of this resolution and therefore do not consider it appropriate to make a recommendation to Shareholders.