

RHINOMED LIMITED
ACN: 107 903 159

Enclosed is the Notice of 2020 Annual General Meeting (**AGM**) for Rhinomed Limited ACN 107 903 159 (**Company**). The AGM will be held virtually on Friday, 20 November 2020 at 10.00am

The Notice of Meeting is dated 8 October 2020. For the purposes of Resolution 5, the Notice was lodged with the Australian Securities and Investments Commission (**ASIC**) on 8 October 2020. Pursuant to subsection 218(2) of the *Corporations Act 2001* (Cth) (**Act**), ASIC has approved the Company's application and shortened the 14-day notice period required by subsection 218(1) of the Act to 7 days.

RHINOMED LIMITED
ACN: 107 903 159

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2020 Annual General Meeting (**AGM**) of Rhinomed Limited ACN 107 903 159 (the Company) will be held virtually on Friday, 20 November 2020 at 10.00am.

Due to the unprecedented impact of the COVID-19 pandemic, the Company is adhering to current government direction and restrictions on physical gatherings by electing to hold the AGM as a completely virtual meeting this year. The health and safety of our shareholders, employees, all of their families and the broader community is paramount.

The Company encourages all shareholders to participate in the AGM virtually via live webcast through Zoom at:

- https://us02web.zoom.us/webinar/register/WN_C9COKehsQceMoITiuCJSBw; and
- vote virtually via the Automic website: <https://investor.automic.com.au/#/home>

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

BUSINESS OF THE MEETING

Financial statements and reports

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2020.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's annual financial statements and reports.

The Company's auditor, Grant Thornton, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

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, the Remuneration Report for the year ended 30 June 2020 included in the Directors' Report, which is attached to the Company's annual financial report as required under section 300A of the Corporations Act, be adopted by the Company."

Voting Exclusion Statement:

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

- the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report; or
- an associate of the Key Management Personnel.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 of 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.

Resolution 2 – Re-election of Dr Eric Knight as a Director

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

"That, for the purposes of clause 15.6 of the Constitution and for all other purposes, Dr Eric Knight a Director who retires by rotation, and being eligible, is re-elected as a Director of the Company."

Resolution 3 – Approval of capacity to issue shares under ASX Listing Rule 7.1A

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any person who is expected to participate in the 10% Placement Facility issue and a person who will obtain a material benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed; or
- any associates of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 of 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.

Resolution 4 – Approval of Long Term Incentive Plan

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

"That, the Long Term Incentive Plan (LTIP), which is summarized in the attached Explanatory Statement, be approved and that for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, the issue of securities under the LTIP within three (3) years from the date of this resolution be an exception to Listing Rules 7.1 and 7.1A."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any Key Management Personnel, which includes the Directors and executives in the Company; or
- any associate of the Key Management Personnel.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 of 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.

Resolution 5 - Approval of issue of options to Michael Johnson

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

"That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, and conditional on the passing of Resolution 4, Shareholders' approval is given for the Company to grant 12,690,457 options, each to acquire one ordinary fully paid share in the Company, to Michael Johnson, a director of the Company, on the terms set out in the accompanying Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Michael Johnson or any of his associates, regardless of the capacity in which the vote is cast; and
- any Key Management Personnel as at the date of the AGM, which includes the Directors, and any of their associates.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 of 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.

Resolution 6 - Ratification of Appointment of Auditor to fill vacancy

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

"That, for the purposes of section 327B of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been appointed as auditor of the Company by the Board of Directors, Shareholders ratify the appointment of Grant Thornton Audit Pty Ltd as auditor of the Company."

Sean Slattery

Company Secretary

On behalf of the Board of Directors

Rhinomed Limited

8 October 2020

VIRTUAL GENERAL MEETING

The Company is mindful of the recommendations and guidelines of the Federal and State Governments with respect to the current COVID-19 circumstances, non-essential meetings and travel, and social distancing requirements and has decided to hold its Meeting on-line via Zoom

https://us02web.zoom.us/webinar/register/WN_C9COKeHsQceMolTiuCJSBw. If you choose to participate online, you will be able to view a live webcast of the Meeting, ask the directors of the Company questions online and submit your votes in real time.

Please note that you are strongly encouraged to lodge proxy votes for the Meeting.

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please pre-register here:

https://us02web.zoom.us/webinar/register/WN_C9COKeHsQceMolTiuCJSBw

After registering you will receive a confirmation containing information on how to attend the virtual Meeting.

POLL

All Resolutions shall be conducted by poll, as they are all resolutions relating to the ASX Listing Rules.

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Grant Thornton, in relation to the conduct of the external audit for the year ended 30 June 2020, or the content of its audit report. Please send your questions to:

The Company Secretary

Rhinomed Limited

A. Level 1, 132 Gwynne Street, Cremorne VIC 3121

T. (03) 8416 0900

E. companysecretary@rhinomed.global

Written questions must be received by no later than **5.00 pm (AEDT) on Friday, 13 November 2020**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Statement.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to Shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including Remuneration Report.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to Shareholders.

VOTING INFORMATION

Virtually voting on day of Meeting

Shareholders who wish to vote on the day of the Meeting will need to log into their Automic Account on the following Automic website with their username and password:

<https://www.automicgroup.com.au/>

Shareholders who wish to vote on the day but do not have an Automic Account must register in advance of the Meeting to avoid delays on the day of the Meeting.

How do I create an Automic Account?

To create an Automic Account, go to the Automic website (<https://www.automicgroup.com.au/>), click on "**register**" and follow the steps. Shareholders will require their holder number (Security Reference Number (SRN) or Holder Identification Number (HIN)) to create an Automic Account.

How to vote using your Automic Account

Shareholders with an Automic Account are advised to take the following steps to vote virtually on the day of the Meeting:

1. Login to the Automic website <https://www.automicgroup.com.au/> using username and password;
2. Registration on the day of the Meeting: once the virtual Meeting has opened, click on "**Meeting open for registration**" and follow the steps; and
3. Live voting on the day of the Meeting: once the live voting has opened, click on "**Meeting open for voting**" and follow the step.

Voting by proxy

- (a) A Shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the Shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the Shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the Meeting.
- (c) A proxy need not be a Shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.
- (e) A proxy form accompanies this Notice. If a Shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this Notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of attorney or other authority **by 12.30 pm (AEDT) on Wednesday, 18 November 2020**:

- online by going to <https://investor.automic.com.au/#/loginsah> or by scanning the QR code, found on the enclosed proxy form with your mobile device;

- by post to Automic Group, GPO Box 5193, Sydney NSW 2001; or
- by personal delivery to Automic Group at Level 5, 126 Phillip Street, Sydney NSW 2000 or to the Company at Level 1, 132 Gwynne Street Cremorne VIC 3121.

Voting and other entitlements at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations* 2001 that shares in the Company which are on issue at **7.00 pm (AEDT) on Wednesday, 18 November 2020** will be taken to be held by the persons who held them at that time for the purposes of the annual general Meeting (including determining voting entitlements at the Meeting).

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act* 2011 (Cth), 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 him 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 - 9. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 - 9. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman will chair the Meeting and 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 Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1, he or she will not vote your proxy on that item of business.

EXPLANATORY STATEMENT TO NOTICE OF 2020 ANNUAL GENERAL MEETING

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Financial and Related Reports

Section 317 of the Corporations Act requires the Company's financial report, directors' report and auditor's report for the financial year ended 30 June 2020 to be laid before the Company's 2020 Annual General Meeting. There is no requirement for a formal resolution on this item.

The financial report contains the financial statements of the consolidated entity consisting of Rhinomed Limited and its controlled entities.

A copy of the 2020 Financial Report has been sent to all shareholders and can be viewed online at the Company's website, www.rhinomed.global.

The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor Grant Thornton questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2020, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Grant Thornton in relation to the conduct of the audit.

Resolution 1 - Adoption of remuneration report

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2020.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act requires a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report and provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2020 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2020 Annual Report which can be viewed online at the Company's website, www.rhinomed.global.

Resolution 2 - Election of Dr Eric Knight as a Director

In accordance with clause 15.6 of Constitution, Dr Eric Knight, a Director who retires by rotation at the close of this Annual General Meeting, offers himself for re-election as a Director.

Dr Eric Knight brings a depth of experience in corporate strategy and management, having previously worked for the Boston Consulting Group. He specialized in rapid transformations and corporate innovation in the healthcare, digital media, and public sectors. In digital marketplaces he was intimately involved in integrating the sports broadcast and editorial assets inside one of the country's largest media organisations, and in driving digital subscriptions under a pay wall. Dr Knight draws upon his expansive corporate strategic and management expertise, across healthcare, sports and digital organisations. He is currently the Professor of Strategic Management and Executive Dean of Macquarie Business School. Dr Knight is a Graduate of the Australian Institute of Company Directors and is known internationally for his work on design-led strategy.

Director's recommendation

All of the non-associated Directors recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Approval of capacity to issue shares under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over a 12 month period commencing after the annual general meeting (**10% Placement Capacity**), over and above the 15% Placement Capacity under ASX Listing Rule 7.1.

ASX Listing Rules require that Shareholders approve the 10% Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the 10% Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that, as at the date of the relevant annual general meeting:

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

The Company is an 'eligible entity'. If Resolution 3 is approved, the Company will be allowed to issue equity securities of up to 25% (up to 10% pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1) of the Company's issued share capital. If Resolution 3 is not approved, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1..

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity should the need arise.

Formula for calculating 10% Placement Facility

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

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

A is the number of shares on issue 12 months immediately preceding the date of issue or agreement (**Relevant Period**):

- a) plus the number of fully paid shares issued in the Relevant Period under an exception to Listing Rule 7.2, other than exception 9, 16 or 17;
- b) plus the number of Shares issued in the Relevant Period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
 - i. the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - ii. the issue of, or agreement to issue the convertible securities was approved or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or 7.4;
- c) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
 - i. the agreement was entered into before the commencement of the Relevant Period; or
 - ii. the agreement or issue was approved, or taken under the Listing Rules to have been approved under ASX Listing Rule 7.1 or 7.4;
- d) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within ASX Listing Rule 7.1 or 7.4;
- e) plus the number of partly paid shares that became fully paid in the Relevant Period;
- f) less the number of fully paid shares cancelled in the Relevant Period.

(Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity);

D is 10%; and

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the shareholders under Listing Rule 7.4.

ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

(a) Minimum Price

The issue price for each security issued under the 10% Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- if the securities are not issued within 10 ASX trading days of the date above, the date on which the securities are issued.

Securities can only be issued under Listing Rule 7.1A for cash consideration.

(b) Date of Issue

Equity securities under the 10% Placement Capacity may be issued until the earlier of:

- the date that is 12 months after the date of the Meeting at which the approval is obtained;

- the time and date of the Company's next annual general meeting; and
- the time and date of the approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

(c) Purpose of Issue under 10% Placement Capacity

The Company may issue equity securities under the 10% Placement Capacity to raise funds for working capital purposes, to fund the continued development and commercialisation of the Company's product range and/or to fund the acquisition of new biotechnology assets.

(d) Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

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:

- the purpose of the issue;
- 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;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- 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 (subject to such vendors paying cash consideration for Shares issued under the 10% Placement Capacity as required).

(e) Risk of voting dilution

The issue of equity securities under the 10% Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1 below). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Table 1 shows the dilution of 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).

Table 1 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. 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 current market price

Table 1

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.085 50% decrease in Issue Price	\$0.17 Current Issue Price	\$0.255 50% increase in Issue Price
Variable A - 253,809,132 Shares	10% Voting Dilution	25,380,913 Shares	25,380,913 Shares	25,380,913 Shares
	Funds Raised	\$2,157,378	\$4,314,755	\$6,472,133
50% increase in Variable A - 380,713,698 Shares	10% Voting Dilution	38,071,370 Shares	38,071,370 Shares	38,071,370 Shares
	Funds Raised	\$3,236,066	\$6,472,133	\$9,708,199
100% increase in Variable A - 507,618,264 Shares	10% Voting Dilution	50,761,826 Shares	50,761,826 Shares	50,761,826 Shares
	Funds Raised	\$4,314,755	\$8,629,510	\$12,944,266

Table 1 has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue as at 7 October 2020.
- The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the 10% Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the 10% Placement Capacity includes only Shares.
- The Current Issue Price of \$0.17 was the most recent price of Shares as traded on ASX as the time of preparing this Notice (7 October 2020). This price may fluctuate between the time of preparing this Notice and the date of the Meeting and the date that any Shares are issued by the Company pursuant to ASX Listing Rule 7.1A.

The Company previously obtained approval for the 10% Placement Capacity at each Annual General Meeting dating back to 2012.

A voting exclusion statement is included in this Notice. In accordance with ASX Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

Issues of Equity Securities in the 12-month period before the date of the Meeting

The information in the below table is provided in accordance with ASX Listing Rule 7.3A.6 (b).

In the 12 months prior to the Meeting, the Company has issued 84,603,116 equity securities representing 50% of equity securities on issue 12 months prior to the Meeting.

The information in the below table is provided in accordance with ASX Listing Rule 7.3A.6 (b).

Issue Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
26/06/20	84,603,116	Ordinary shares ²	Shareholders pursuant to Entitlement Offer under Prospectus issued on 11 May 2020	\$0.077 (2.5% discount to theoretical ex-right price of \$0.079 on 4 May 2020)	Cash Amount raised = \$6,514,440

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises).
2. Fully paid ordinary shares in the capital of the Company, ASX Code: RNO (terms are set out in the Constitution).

Director's recommendation

All of the Directors recommend that shareholders vote in favour of Resolution 4.

Resolution 4 - Approval of Long Term Incentive Plan

The Company has amended its long term incentive plan (LTIP) approved by Shareholders at the Company's 2019 annual general meeting.

Subject to rule 19.2 of the LTIP, the ASX Listing Rules and the Corporations Act, the Board may amend the LTIP at any time, except that any amendments which reduces Participants' rights requires consent of the affected Participants unless the amendment is primarily to comply with laws, take into consideration adverse tax implications or to correct a manifest error.

If Resolution 4 is passed, in addition to allowing for the issue of equity securities, the LTIP will also enable the Company to grant interest-free limited recourse loans to employees and officers of the Company as it relates to the issue of Shares to those employees and officers if they choose to exercise their equity securities. In the case of a director, no equity securities may be issued to the director without express shareholder approval of the numbers and terms of those securities.

While the proposed amendments to the LTIP rules can be made under rule 19.2 as described above, the Company is primarily proposing Resolution 4 to ensure that it can rely on the exemption in s260C(4) of the Corporations Act in respect of any financial assistance that may arise under the grant of any loan issued under an LTIP offer.

Under the LTIP since last approved by Shareholders, 13,000,000 Options have been issued to employees and officers of the Company. 10,000,000 of those Options have been issued to directors under separate shareholder approvals for the purposes of Listing Rule 7.1 and have not been issued within the 5% cap approved by Shareholders at the Company's 2019 annual general meeting.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities on issue at the commencement of that 12 month period.

An exception to Listing Rule 7.1 is set out in Listing Rule 7.2 (Exception 13) which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved this issue as an exception to Listing Rule 7.1.

Due to the changes being made to the LTIP, Shareholder approval is sought again to adopt the LTIP in accordance with Listing Rule 7.2 (Exception 13) and to enable the Company to subsequently grant equity securities under the plan without having to obtain shareholder approval each time the Company wishes to issue securities which exceed the 15% limit contained in Listing Rule 7.1 and do not otherwise fall within one of the nominated Listing Rule exemptions.

The maximum number of securities that can be issued under the LTIP (and any other equity incentive plan of the Company) is not to be in excess of 5% of the total number of shares on issue, excluding any securities that shareholders specifically approve in general meeting (eg. to directors and related parties).

The material terms of the amended LTIP are set out in Appendix A to this Notice of Meeting and a voting exclusion applies to Resolution 4.

Director's recommendation

All of the Directors recommend that shareholders vote in favour of Resolution 4.

Resolution 5 - Approval of issue of options to Michael Johnson

Background

The Company is seeking Shareholder approval for the issue of 12,690,457 Options to CEO and Managing Director, Michael Johnson, as follows:

Number of Options	Exercise Price	Vesting Date	Expiry Date
12,690,457	\$0.116	Upon issue	48 months from date of issue

As noted in section 3.1 of the Company's Prospectus dated 11 May 2020, the Company advised its intention to issue incentive securities to the management team, including Mr Johnson, comprising up to 5% of the Company's issued capital.

At the start of 2013 Mr Johnson stepped into the role as CEO and Managing Director of the company. The initial brief from the board was to stabilise the company with the objective of providing shareholders with a clear strategic direction for the future. At that stage the company had two initial patents that covered the existing technology.

Over the following six years Mr Johnson has guided the company from pre-revenue, to early revenues and now strong revenue growth. In parallel this has involved opening up markets both here in Australia, in the UK and in North America. In addition, under Mr Johnson's leadership the company has established a team in the USA and established its Mute technology as one of the US's leading anti-snoring products. As at the end of FY20 the company's four products have a presence on the shelves of approximately 20,000 stores globally.

Under the terms of his employment Mr Johnson has had both short term and long terms incentives. The Company recognises that while Mr Johnson has been remunerated in line with median market levels reflective of the company's status and stage, this remuneration has not reflected his role in being responsible for the creation of the company's entire intellectual property portfolio.

The company's intellectual property position now encompasses over 60 patents and 75 design patents that cover the Turbine, Mute, Pronto, the proposed drug delivery, sample collection (swab) and Diagnostic technology. This Intellectual Property portfolio has been created by Mr Johnson and under his guidance.

The Company believes that these Options provide a means to reward Mr Johnson both for historical performance and to provide Mr Johnson with a meaningful stake in the capital of the Company reflecting

the significant value of the intellectual property that he has created over the last six years. The Directors consider it prudent to remunerate by way of securities so as to preserve the cash reserves of the Company.

The grant to Mr Johnson represents approximately 5% of the Company's fully diluted share capital. The grants to Mr Johnson is more than that specified in the Prospectus having regard to Mr Johnson's subsequent efforts establishing the swab technology.

The benefit from the Options will only be received if the Company's Share Price exceeds the exercise price of the Options at the time of exercise. The exercise price of the Options was determined by the board in early September 2020 when it agreed to grant the Options (subject to shareholder approval). At that time, the Share Price was \$0.08 and the exercise price of \$0.116 reflected a 45% premium to market value.

It is proposed, if Resolutions 4 and 5 are approved by Shareholders, the Company will grant an interest-free limited recourse loan to Michael Johnson for the value of the exercise price of the Options, being \$1,472,093 (**Acquisition Loan**). Further terms of the Acquisition Loan will be as set out in Annexure A.

If Resolution 5 is approved by Shareholders, the Board intends to issue the Options to Mr Johnson as soon as reasonably practicable following the Annual General Meeting and in any event, not later than one year from the date of the meeting. Shareholders may be diluted by the exercise of any vested options that Mr Johnson elects to exercise. As stated previously, the grant represents approximately 5% of the Company's present share capital on a diluted basis. The Options will be issued under and subject to the rules of the Company's LTIP.

If Resolution 5 is not approved by Shareholders, the Options will not be issued to Mr Johnson. There is a risk that if the Company cannot properly remunerate Mr Johnson for his efforts, it may not be able to retain his services.

The Board considered offering performance rights and discounted options for Mr Johnson but ultimately settled on a premium priced option mechanism, which is consistent with past practice and is considered the optimal equity incentive for high growth companies.

Having regard to the size of the Options grant, the Board does not propose to issue Mr Johnson with any additional grants of forward-looking performance based options or rights for the current financial year and considers that Mr Johnson will be properly incentivised and aligned with the interests of shareholders to generate increased returns for the Company.

Related Party Transaction

For a public company to give a financial benefit to a related party, it must:

- a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Options and grant of Acquisition Loan constitutes giving a financial benefit and Mr Johnson is a related party of the Company. Although the Directors consider that the issue of Options or grant of Acquisition Loan is considered reasonable remuneration in the circumstances, out of an abundance of caution, the Company seeks shareholder approval for the purposes of Chapter 2E of the Corporations Act.

For the purposes of Chapter 2E of the Corporations Act, Mr Johnson is a related party of the Company as he is a director of the Company.

Dilution effect of grant of Options on existing members' interests

The impact of passing this Resolution on Mr Johnson's voting power in the Company, assuming all the Options are exercised is a dilution of approximately 5% of the voting power in the Company.

Valuation of Options

The Company has sought advice from its auditor to review the value of the Options based on the Australian Accounting Standards Board (**AASB**) accounting standard AASB 2 - *Share Based Payment* using the following assumptions:

- a) Exercise price of \$0.116;
- b) Four-year life;
- c) A risk-free rate of 0.37%; and
- d) Volatility of 93%.

The value the Options is considered to be \$1,377,757.

Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on the ASX over the past 12 months ending on 7 October 2020.

Highest Price (\$) / Date	Lowest Price (\$) / Date	Latest Price (\$) / Date
\$0.285/ 8 October 2019	\$0.066/ 24 March 2020	\$0.170 / 7 October 2020

Financial Assistance

As noted in the wording of Resolution 5, it is conditional upon the passing of Resolution 4 and shareholders approving the amended LTIP. On that basis, the grant of the Acquisition Loan will be exempted financial assistance for the purposes of section 260C(4) of the Corporations Act.

Approval of acquisition of Options under Listing Rule 10.14

ASX Listing Rule 10.14 requires Shareholder approval for related parties to participate in an employee share option plan under which they acquire, or may acquire, equity securities in the Company. Mr Johnson is a director and therefore the proposed issue of the Options requires Shareholder Approval for the purposes of Listing Rule 10.14.1.

Accordingly, the Company seeks approval of Shareholders in respect of the proposed issue of the Options (and the issue of new shares or acquisition of shares on market on vesting or exercise of the Options) on the terms and conditions set out above.

Other information required under Listing Rule 10.15

- The maximum number of securities that may be acquired by Michael Johnson is 12,690,457 Options that may be exercised into a maximum of 12,690,457 Shares.
- The issue price of each Option is \$nil and their exercise price is set out in the table above.
- Shares to be issued upon exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing shares.
- Michael Johnson has previously received 5,000,000 options with an exercise price of \$0.2998 issued in on 29 November 2019 under the LTIP. None of those options have been exercised.
- Michael Johnson's current remuneration package consists of:

- a base salary of \$303,997 per annum plus superannuation;
- an entitlement to participate in short term cash-based incentives of \$150,000 subject to achievement of agreed KPIs; and
- an ability to participate in the Company's LTIP.

Further details are set out in pages 8 and 9 of the Company's Annual Report dated 21 September 2020.

- The Company will grant to Michael Johnson an interest-free limited recourse loan to fund the payment of the exercise price of the Options to the Company (subject to approval of Resolution 4) for the value of \$1,472,093 (**Acquisition Loan**).
- No funds will be raised upon the exercise of the Options as the Company will advance an Acquisition Loan for the full exercise price. Funds received by the Company on repayment of the Acquisition Loan will be put towards working capital.
- Annexure A contains a summary of the key terms of the LTIP that apply to the Options and the Acquisition Loan.
- Details of the Options issued will be published in the annual report of the Company along with a statement that approval for the issue of the Options was obtained under listing rule 10.14.
- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Long Term Incentive Plan after this resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

Voting Exclusion

A voting exclusion statement is included in this Notice.

Director's recommendation

All of the Directors (excluding Mr Johnson) recommend that Shareholders vote in favour of Resolution 5.

Mr Johnson has an interest in the outcome of Resolution 5 and therefore believes it inappropriate to make a recommendation in relation to Resolution 5.

Resolution 6 - Ratification of Appointment of Auditor to fill vacancy

As announced on 10 July 2020, the Company notified of a change in auditor. Following a tender process, the Board of Director resolved to appoint Grant Thornton Audit Pty Ltd as auditor of the Company.

The Company's previous auditor, HLB Mann Judd, had applied for, and received ASIC consent to resign as the auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company seeks to ratify the appointment of Grant Thornton Audit Pty Ltd as the auditor of the Company.

Grant Thornton Audit Pty Ltd has given its written consent to act as the Company's auditor, subject to Shareholder approval.

If Resolution 6 is passed, the appointment of Grant Thornton Audit Pty Ltd as the Company's auditor will take effect from the 10 June 2020.

Director's recommendation

All of the Directors recommend that shareholders vote in favour of Resolution 6.

Glossary

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

10% Placement Capacity has the meaning given on page 9 of the Explanatory Statement.

15% Placement Capacity has the meaning given on page 7 of the Explanatory Statement.

AEDT means Australian Eastern Daylight Savings Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or Listing Rule means the listing rules of ASX.

Board means the board of directors of the Company.

Company or Rhinomed means Rhinomed Limited (ACN 107 903 159).

Constitution means the Company's constitution.

Corporations Act means Corporations Act 2001 (Cth).

Director means a current director of the Company.

Explanatory Statement means the explanatory statement to this Notice of Meeting.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of Key Management Personnel include its Directors and certain senior executives.

LTIP means the Company's Long Term Incentive Plan approved at the Company's 2019 annual general meeting.

Meeting means the 2020 Annual General Meeting of the Shareholders of the Company to be held on 20 November 2020, to which the Notice of Meeting and Explanatory Statement relate.

Notice of Meeting means this notice of meeting of the Company dated 8 October 2020.

Option means an option to subscribe for a Share.

Resolution means a resolution referred to in the Notice.

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

Shareholder means a holder of Shares.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars.

ANNEXURE A - SUMMARY OF LTIP RULES

1. General

The Rhinomed Limited Long Term Incentive Plan (**LTIP**) is intended to retain and motivate the Company's management team.

Under the LTIP, the Board has the power to grant Share Rights to Eligible Employees (or to their Nominees) in a number of forms, including as:

- (a) **Performance Rights** (ie. Share Rights with no exercise price);
- (b) **Options** (ie. Share Rights generally with an exercise price equal to the market value of a Share on the Date of Grant); or
- (c) **Premium Priced Options** (ie. Share Rights with an exercise price that is greater than the market value of a Share on the Date of Grant).

Share Rights are a right to acquire shares in the Company (or in some cases, to receive a payment of cash instead of Shares) upon the satisfaction of any terms and conditions, including any Performance Criteria, as determined by the Board and set out in a Plan Invitation.

The Board has the discretion to amend the rules of the LTIP (including retrospectively in respect of previous awards of Share Rights) but not so as to reduce the rights of participants, except where necessary to correct obvious errors or mistakes or to comply with legal requirements or for the purpose of enabling Participants to receive a more favourable taxation treatment.

Awards of Share Rights under the LTIP are made at the Board's discretion.

2. Eligibility

The rules allow for offers of Share Rights under the LTIP to be made by the Board to Eligible Employees, being any person who is in full-time or permanent part-time employment of the Company or one of its related bodies corporate, including any Directors.

3. Grant of Share Rights

Shares Rights may be granted under the LTIP subject to vesting conditions, including time and performance based hurdles.

The Board determines the details of any vesting conditions applicable to any Share Rights granted under the LTIP prior to Plan Invitations being made. Share Rights will generally only vest (under normal circumstances) upon satisfaction of any time and performance based vesting conditions. If those conditions are not met, any Share Rights will generally lapse and not be capable of exercise.

4. Delivery of shares

Shares in the Company will be delivered to Participants upon exercise of vested Share Rights (or in certain circumstances, cash will be paid by the Company in lieu of delivering shares). On exercise, subject to payment of any exercise price, the Company will deliver shares either by way of new issue or by arranging for shares to be purchased on-market.

5. Acquisition Loan

The Company may provide to the eligible employees a loan to acquire the Shares upon exercise of the Share Rights (providing the vesting conditions have been met) (Acquisition Loan).

Employees (including Directors) of the Company or any of its subsidiaries who are selected by the Board will be eligible to receive an Acquisition Loan in respect of any grant of Share Rights under the LTIP (Participants).

The Acquisition Loan made to a Participant under the LTIP may only be applied towards the acquisition price for Shares relating to Share Rights. The Acquisition Loan will be:

- (a) interest free;
- (b) secured over the Shares;
- (c) limited recourse, meaning that if the market value of the Shares is less than the Acquisition Loan at the end of the term of

the Acquisition Loan, the Participant will not need to repay the remaining loan balance out of their own funds; and

- (d) unless otherwise determined by the Board, the full amount outstanding under an Acquisition Loan will become immediately payable on the earliest to occur of the:
 - (i) nine years and eleven months from the date that the Acquisition Loan is provided to the Participant (or such later date as may be agreed by the Board);
 - (ii) Participant becoming an insolvent or subject to bankruptcy proceedings;
 - (iii) Participant ceasing to be an Employee; or
 - (iv) Shares the subject of particular Share Rights being acquired by a third party by way of an amalgamation, arrangement or formal take-over bid for all outstanding Shares.

A Participant may repay all or any part of the Acquisition Loan at any time before the Acquisition Loan becomes immediately payable.

If the Company pays cash dividends or makes capital distributions on a Participant's Shares, the Participant directs the Company to, and the Company will (unless otherwise determined by the Board), apply the after-tax amount of all cash dividends and all distributions paid on the Participant's Shares during the Restrictive Period towards repayment of the Acquisition Loan.

The Participant appoints the Company as their attorney to sell their Shares at the end of the Restrictive Period if the Participant:

- (a) has not repaid the outstanding amount on the Acquisition Loan;
- (b) ceased to be an Employee during the Restrictive Period; or
- (c) conducted any acts prohibited under the LTIP during the Restrictive Period,

and apply the sale proceeds to repay the Acquisition Loan (with any remaining balance to be paid to the Participant).

A Participant must not transfer (or encumber or otherwise dispose of or deal with) any Shares subject to the Acquisition Loan until the Acquisition Loan has been repaid in full.

The Shares the subject to an Acquisition Loan will rank equally with all other fully paid ordinary shares in the capital of the Company. Participants have full entitlements attaching to their Shares, except that cash dividends and distributions will be applied to repay the Acquisition Loan (as described above).

6. Cessation of employment

If a Participant ceases employment with the Company group:

- (a) any unvested Share Rights will generally lapse unless the Participant ceases employment with the Company group due to a 'Good Leaver Event' (including death, Permanent Disablement, Retirement and Redundancy (in each case, as defined in the Rules)). If a Participant is a 'good leaver', a pro rata number of Share Rights will generally be retained. However, the Board retains the discretion to determine a different outcome; and
- (b) any vested Share Rights at the time of ceasing employment will generally only be exercisable until the earlier of:
 - (i) three months after the date on which the Participant ceases employment, and
 - (ii) the expiry date of the Share Rights.

7. Change of control

On a change of control of the Company, the Board has a broad discretion to deal with vested and unvested Share Rights, including a discretion to waive any vesting conditions applicable to unvested Share Rights, subject to such terms and conditions as it determines.

8. Plan limits

Issues of shares including on exercise of Share Rights granted under the LTIP will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under other employee incentive schemes of the Company for employees and non-executive directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.

9. Expiry of Share Rights

Share Rights which have not been exercised by the expiry date will expire and cease to exist at 5pm (AEST) on the expiry date specified in the Plan Invitation or upon the Board making a determination that the Share Rights are to be forfeited.

10. Forfeiture conditions

If a Participant commits any act of fraud, defalcation or gross misconduct or other similar acts, any Share Rights held by the Participant will generally lapse. In addition, the Board can include, in a Plan Invitation, additional circumstances in which the Share Rights will be forfeited.

11. Securities dealing restrictions

A share delivered to a Participant under the LTIP may not be disposed of or otherwise dealt with by that Participant at any time when the Participant would be precluded from dealing in shares pursuant to the Company's securities dealing policy.

12. Hedging economic exposure prohibited

Without limiting the prohibitions in Part 2D.7 of the Corporations Act (ban on hedging remuneration of key management personnel), the terms of the LTIP prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the LTIP.